



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – HONOURS

SECOND SEMESTER – APRIL 2022

UBH 2503 – BUSINESS ECONOMICS

(21 BATCH ONLY)

Date: 18-06-2022

Dept. No.

Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

SECTION A

Answer ALL the Questions

1	Define the following	(5 x 1 = 5 Marks)	
a.	GDP	K1	CO1
b.	Double accounting	K1	CO1
c.	Snob effect	K1	CO1
d.	Consumer surplus	K1	CO1
e.	Human Capital	K1	CO1
2.	Fill in the blanks	(5 x 1 = 5 Marks)	
a.	_____ of a product or any activity is the most valuable alternative it foregoes, given its limited resources, time and existing technology	K1	CO1
b.	_____ economics uses economic theory and methods to solve business decision making problems.	K1	CO1
c.	_____ means want satisfying power of commodity	K1	CO1
d.	As a consumer takes more units of a good the extra utility or satisfaction that he derives from an extra unit of good goes on falling is called as _____	K1	CO1
e.	_____ is the excess of market price at which producer sell the quantity of a commodity over and above the minimum price at which they would be willing to supply.	K1	CO1
3.	Match the following	(5 x 1 = 5 Marks)	
a.	a) An Inquiry into nature and causes of wealth of nation 1. Perfect Substitute	K2	CO2
b.	b) Tools used for decision making – 2. Outward Shift	K2	CO2
c.	c) Government should cut tax rates to increase disposable income and boost spending 3. Adam Smith	K2	CO2
d.	d) Aavin Butter and Amul Butter 4. Game theory	K2	CO2
e.	e) Factors that increase supply 5. Normative Economics	K2	CO2
4.	True or False	(5 x 1 = 5 Marks)	
a.	Advertisement expenditure is one of the important factor determining	K2	CO1

	market demand		
b.	The error of double counting is an obstacle in computing national income	K2	CO1
c.	Per Capita real national income = Real National Income / Size of Population	K2	CO1
d.	Oligopoly is a market structure in which there are few sellers of a product and additional sellers cannot easily enter the industry	K2	CO1
e.	The law of diminishing marginal utility explains economic behaviour of a rational consumer	K2	CO1

SECTION B

Answer any TWO of the following in 100 words (2 x 10 = 20 Marks)

5	Illustrate the concept of externalities	K3	CO2
6	Construct and write short notes on factors determining national income	K3	CO2
7	Demonstrate the Properties of indifference curve in detail	K3	CO2
8	Explain : a. Consumer sovereignty b. Law of equi marginal utility	K3	CO2

SECTION-C

Answer any TWO of the following in 100 words (2 x 10 = 20 Marks)

9.	Compare Descriptive and prescriptive roles in Business Economics	K4	CO3
10.	Analyse the importance of Scarcity in Economics	K4	CO3
11.	Explain the methods of demand forecasting in detail	K4	CO3
12.	Differentiate the advantages and disadvantages of direct and indirect tax in detail with examples	K4	CO3

SECTION D

Answer any ONE of the following in 250 words (1 x 20 = 20 Marks)

13.	Evaluate basic problems of an economy from the scarcity point of view	K5	CO4
14.	Compare and explain the various market structures and the pricing strategies adopted by each market forms with examples	K5	CO4

SECTION E

Answer any ONE of the following in 250 words (1x20=20 Marks)

15.	Formulate and summarize National Income is not a barometer of economic welfare –Defend	K6	CO5
16.	Construct and Explain the various factors of production in detail with examples	K6	CO5
